



NORTHERN MARIANAS HOUSING CORPORATION

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June 16, 2021

Mr. Mark A. Chandler, Director
Office of Community Planning and Development
US Department of Housing and Urban Development
Honolulu, HI 96813

Dear Mr. Chandler:

SUBJECT: Northern Marianas Housing Corporation's Responses to the PY 2019 Annual Community Assessment Report

This letter conveys NMHC's comments to the PY 2019 Annual Community Assessment Report received by NMHC on May 17, 2021 from the U.S. Department of Housing and Urban Development. The following comments are as follows:

CAPER/ACA Publication Period: The CAPER was re-published for public comment on May 27, 2021 and June 3, 2021 and will be made available for public comment until June 11, 2021. Once the ACA report is made final, it will be published for public comment for a period of (15) days.

CDBG Timeliness: NMHC expects to meet its timeliness ratio test on August 2, 2021. There are several drawdowns that will be conducted for the Rehabilitation of the Tanapag Youth Center and the Purchase and Installation of Lighting Fixtures at the Oleai Track and Field.

At Risk CDBG Activities: The Koblerville Youth Learning Center Expansion and Enhancement Project (Activity #676) and the Rehabilitation and Expansion of the Kagman Community Center (Activity #677) have been closed in IDIS, since the projects are completed.

CDBG CV: Acquisition of a Mobile Clinic for the Commonwealth Health Care Corporation: To date, NMHC has drawn approximately \$87K for the project. NMHC has approximately 80% of the total project cost to drawdown. The contractor requested for an extension of the project deadline to December 2021 due to delays caused in the process, as a result of the pandemic. NMHC granted their request.

CDBG Funds for the Purchase and Installation of Prefabricated Units for Transitional Housing (Saipan): Funds were initially supposed to be reprogrammed from the Rehabilitation of the Rota Youth Center, Rehabilitation of the Sinapalo Children's Park Roof, and Rehabilitation of the Tinian Gym Basketball Court; however, because of factors beyond NMHC's control such as the bid price exceeding the project allocation for the transitional housing project, NMHC has decided to cancel the project and will reprogram the funds to a project that is ready to proceed. NMHC is in the process of drafting a reprogramming request from the aforementioned projects to the Purchase of Personal, Protective Equipment (PPEs) for the CNMI Department of Fire and Emergency Medical Services (DFEMS). NMHC would like to ensure that federal expenditure guidelines are adhered to; therefore, the Planning Division is mindful of projects that would potentially cause a risk of failing timeliness. *Note:* NMHC did not set



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up the project in IDIS for the Purchase and Installation of Prefabricated Units for Transitional Housing, since the project did not come to fruition. The rehabilitation projects (mentioned above) are still reflected in IDIS.

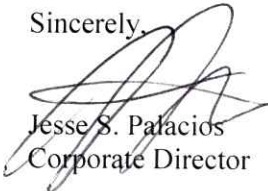
HOME funds: The Mortgage and Credit Division reconciled their figures as according to the latest PR49 report does show that the required allocation for grant year 2015 was \$309,294 and the drawdown amount required is \$119,140; and the deadline compliance date is September 30, 2023. NMHC is confident that we will be able to meet this deadline as there are a few HOME projects in the pipeline. There is a total of (3) HOME projects to commit. The disbursement amounts should go down in the next reporting cycle once an ongoing rehabilitation project is closed. As for the commitment funding level, HUD mentions funds available to commit at \$1.5M but, when factoring in HOME program income, this figure should actually be at an estimated \$2.3M. HOME funding levels will most likely continue to increase as the demand for HOME slows down in favor of the current CDBG-DR program. We still have those approved clients in the waitlist with projects that are pending for commitment but are still delayed because the clients have not found a property or a house to purchase. NMHC will be doing another round of status follow-up and may have to purge the list to remove those applicants who have dropped out of the program, or who are now deemed ineligible.

PY 2017, 2018, and 2019 ESG Funds: The delay in the expenditure of PY17 funds was due to difficulties in the collection of clientele documentation. Majority of PY18 funds were drawn prior to October 3, 2020 with the exception of the \$0.10 shortfall. The shortfall was recaptured by HUD and later returned to be expended. PY 2019 fund: As of June 2021, there are a total 3 ongoing households actively receiving direct financial assistance through the Rapid Rehousing component of the ESG Program. ESG Program funds are drawn on a month-to-month basis per household assisted and not as a one-time lump sum. By September 2021, it is anticipated that a total of \$5,610 will be expended to cover the full term of all active households' direct financial assistance. The remaining balance of \$15,556.02 will be committed to one additional household on the ESG Program waitlist; including salaries and wages for case management.

Thank you for your continued support and guidance. Should you have any questions or comments, please contact me or Ms. Zenie Mafnas, Deputy Corporate Director, at the numbers above.

Thank you.

Sincerely,



Jesse S. Palacios
Corporate Director

Cc: Planning File



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